

**Humbird Place Condominiums
Declaration**

KATHLEEN H. WALSH
REGISTER OF DEEDS
ST. CROIX CO., WI

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COVENANTS
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This declaration is made on March 15, 2006 at St. Croix County, Wisconsin by the Declarant, Cornerstone Contracting, Inc., a Wisconsin corporation, pursuant to Chapter 703 of the Wisconsin Statutes, the Wisconsin Condominium Ownership Act (the "Act").

WHEREAS, Declarant is the fee owner of certain real estate situated at 714 Third Street, Hudson, Wisconsin 54016, legally described as:

Lot 8, Block 1, and the South 9-¼ feet of Lot 9, Block 1, Andrews addition to Buena Vista, now forming part of the City of Hudson, St. Croix County, Wisconsin, hereinafter called the "Parcel", and

Malick Law Office
413 Brookwood
Hudson WI 54016
(mailbox)

PIN 236-0073-00-000

WHEREAS, Declarant is about to sell, dispose of and convey interests or rights and privileges belonging to or in anywise appertaining thereto (the "Property"), and to accomplish this purpose desires to submit the Property to the requirements of the Act, and

WHEREAS, Declarant desires and intends that the owners, holders of security interests, occupants, and other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, easements, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the unit ownership of the Property and are established for the purposes of enhancing and perfecting the value, desirability and attractiveness of the same.

NOW, THEREFORE, Declarant hereby declares as follows:

ARTICLE I
Definitions

Terms used in this Declaration shall have the meanings given in the Act except as modified or supplemented herein.

1. Association. The unit owners association organized under the Act in general and in particular the Humbird Place Condominiums, Inc., a non-profit corporation organized under Chapter 181 Wisconsin Statutes, of which each unit owner shall by virtue of an ownership interest be a member, and which has been established for the purposes of administering, managing, maintaining, operating, repairing, altering and improving the common elements of the Condominium for the collective benefit of the members.

2. Bylaws. The Bylaws which govern the operation of the Association.

3. Condominium Documents. This Declaration and the Articles of Incorporation, Bylaws and Rules adopted by the Association, as amended.

4. Common Elements. All portions of the Property shown on the Plat other than the units including, but not limited to: The residential building, the wood sub-flooring under each unit; the ceiling joists, the studs and plates of perimeter walls around the perimeters of the units; exterior masonry walls and framing on the residential building; interior and exterior windows, components thereof (including glass), and the frames thereof, exterior surfaces of all doors providing direct access to) units in the case of additions and alterations and the doors themselves in the case of replacement, reconstruction or restoration thereof; land, grounds, driveway, parking area, patios, fountains, courtyards, balconies, decks, fence screening, shrubbery, plants, trees, sidewalks, stoops, ramps and gardens; exterior stairways and walkways; the basement; footings, concrete slabs, foundations, main walls and bearing walls; pipes, vents, flues, chutes, chimneys, wires, conduits and other utility installations (which may lie partially within and partially without the designated boundaries of a unit but which serve more than one unit or any portion of the common elements) to the outlets thereof in each unit, but excluding individual connections and valves at such outlets; roofs, flashing, roofing materials and parapets; and any other area, facility, fixture or element which is designed or intended for common use.

5. Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves including, but not limited to: taxes and special assessments against the Property until the units are separately assessed; premiums for any and all insurance maintained by the Association including any deductible or coinsurance amount not covered by insurance; water and sewer charges; common element gas and electrical charges (if any); legal and accounting fees; the unpaid portion of any assessment against a unit that is acquired pursuant to a mortgage foreclosure, or a deed in lieu of foreclosure, and not required to be paid by such acquirer; deficits remaining from any prior assessment period; the cost of all fidelity bonds required by the Board of Directors or the members; costs for the maintenance, operation, alteration, improvement and replacement of the common elements; and any other expenses for the administration, operation and management of the Association and the Condominium determined and assessed by the Board of Directors.

6. First Mortgagee. A person owning a security interest in any unit by virtue of a mortgage filed thereagainst, which mortgage is first in priority upon foreclosure to all other mortgages which may affect such unit, or a lender in possession of a unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

7. Limited Common Element. A portion of the common elements allocated by the Declaration and shown on the Plat for the exclusive use of one or more but fewer than all of the units.

8. Occupant. Any person other than a unit owner in possession of or residing in a unit.

9. Person. A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

10. Security Interest. A perfected interest in real estate or personal property, created by a contract or a conveyance, which secures payment or performance of an obligation. The term includes a

mortgagee's interest in a mortgage, a vendor's interest in a contract for deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's certificate of sale during the period of redemption, an assignee's interest in an assignment of leases or rents intended as security, a lender's interest in a cooperative share loan, a pledgee's interest in the pledge of an ownership interest, or any interest intended as security for an obligation under a written agreement.

11. Unit. A real estate parcel with boundaries described in the Declaration.

ARTICLE II

Submission of Condominium to Act

1. Name and Address and Association; Statement as to Incorporation of Association. The Property shall hereafter be known as Humbird Place Condominiums. Its address is 714 Third Street, Hudson, WI 54016. The association set up to administer and manage the Condominium is Humbird Place Condominiums, Inc. The Association has been established under Chapter 181, Wisconsin Statutes.

2. Submission. Declarant hereby subjects the Property, the legal description of which appears above, to this Declaration and the Wisconsin Condominium Ownership Act as a "small condominium," to which parts of 703.365, Wis. Stats., shall be applied consistent with this Declaration.

3. Description of Each Unit. Each unit is one of four (4) separately designated and legally described estates in fee simple absolute, each consisting of a unit and that unit's undivided interest in the common elements as twenty-five percent (25%) for each unit specified in the Plat. Each unit is bounded by its ceiling, floor and walls and the treads and risers of any interior staircases.

4. The name and address of the resident agent is Shane A. Benoy, 714 Third Street, Hudson, WI 54016

5. Plat. The survey under s. 703.11 (2) (b) is an as-built survey of the property described in the declaration, building, and other improvements on the land that are part of the small condominium. The floor plans under s. 703.11 (2) (c) show the location and designation of each unit in the building and the limited common elements appurtenant to each unit of a small condominium. The Plat meeting these requirements, was prepared by ty R. Dodge, a Registered Wisconsin Land Surveyor, Wisconsin License No. S-2484. It is incorporated herein by reference. The Plat was contemporaneously filed in the office of the St. Croix County Register of Deeds with this Declaration.

6. Allocation of Common Element Interests, Votes, and Common Expense; Liabilities to Units; Description of Unit Identifiers. The percentage of the undivided interest in the common elements, common expense liabilities, and votes in the Association allocated to each unit is twenty-five percent (25%). The basis for the allocation with respect to the percentage of undivided interest in the common elements, the percentage of common expense liabilities and the percentage of vote in the affairs of the Association is equality. All action taken under the Act that requires a vote of units or unit owners must be approved by an affirmative vote or written consent of at least seventy-five percent (75%) of the unit votes.

7. **Maximum Number of Units Which May be Created by Subdivision or Conversion of Units Owned by Declarant.** No additional units may be created by the subdivision or conversion of any units owned by Declarant in the Condominium.

8. **Allocation of Limited Common Elements.** All of the limited common elements are designated and shown on the Plat. There are none. An allocation of any limited common element may be changed in the manner specified in the Act.

9. **Restrictions on Use, Occupancy and Alienation of Units.** Restrictions on the use, occupancy and alienation of units in the Condominium are as set forth in Article IV hereof. All of the units are restricted to residential use.

10. **Holding and Expenditures of Collected Funds.** All funds collected by the Board of Directors of the Association shall be held and expended for the purposes designated in the Condominium Documents and shall be deemed to be held for the benefit, use and account of all owners in equal parts (except for any adjustments to reflect any delinquent, prepaid or special assessments) and shall be administered in accordance with the provisions of this Declaration.

11. **Period of Declarant Control.**

a. The direction and administration of the Condominium, and the Association shall be vested in the Board of Directors of the Association. The first Board shall consist of three (3) directors appointed by Declarant. Declarant shall control the Board for a period of time not exceeding the expiration of three (3) years after the first conveyance of a unit to a unit owner other than Declarant, or an affiliate of Declarant, or its voluntary surrender of control, or no later than thirty (30) days after conveyance of seventy-five percent (75%) of the units in the Condominium to unit owners other than Declarant, or an affiliate of Declarant, whichever occurs earliest. Thereafter, the owners (i.e., members of the Association) shall elect the members of the second and all successive Boards of Directors which shall be four (4) directors in size unless the membership of the Association decides at a duly called meeting of the members to increase or reduce the size. Persons elected shall take office upon election.

b. Notwithstanding anything hereinabove to the contrary, during the period of Declarant control, Declarant shall have the right to appoint or remove the three (3) directors comprising the first Board of Directors of the Association, and to designate their successors as may be required from time to time, or to exercise the powers of the Board as provided in the Act. If at any time during the period of Declarant control, fifty percent (50%) of the units in the Condominium have been conveyed to owners other than Declarant, then, within sixty (60) days, an election shall be held to elect two (2) additional directors, other than Declarant's appointees, to serve on the Board. For the remainder of the period of Declarant control, direction and administration of the Condominium and the Association shall be vested in an enlarged first Board of Directors comprised of four (4) directors, two (2) appointed by Declarant and two (2) elected by the unit owners other than Declarant. Upon termination of the period of Declarant control (as provided hereinabove in this subsection), the second and all successive Boards of Directors shall consist of four (4) directors (unless changed by the membership of the Association) each of whom shall be an owner of a unit; provided, however, that in the event an owner is a limited liability company, corporation, partnership, trust or other legal

entity, or beneficiary of such trust, then any designated agent of such entity or trust, or beneficiary of such trust, shall be eligible to serve as a member of the Board so long as he shall be an officer of a corporate or limited liability company unit owner, a general partner or officer or designated agent of a corporate general partner of a general or limited partnership unit owner, or a trustee of the trust, or a beneficiary of such trust if residing on the premises of the unit.

c. **Non-Interference with Declarant's Rights.** No unit owner or occupant may interfere with Declarant's rights under this subsection by amendment of this Declaration, or the Articles and Bylaws of the Association or otherwise. In particular, so long as Declarant owns at least one unit in the Condominium, which Unit is held for sale, the Association shall take no action which adversely affects Declarant's ability to sell the unit without the prior written consent of Declarant.

12. **Completion of improvements Indicated on Plat and/or in this Declaration.** Declarant shall have the right to complete improvements indicated on the Plat and/or allowed by this Declaration as amended from time to time.

13. **Construction of improvements.** Declarant shall have and use easements for itself, its successors and assigns, and its employees, contractors, subcontractors, suppliers, vendors, agents through the common elements of the Condominium for all purposes in connection with the construction of improvements or rehabilitation of existing improvements on the Property.

14. **Maintenance of Sales Offices, Models, Etc..** Declarant shall have the right to maintain models, sales offices, management offices and advertising signs within or adjacent to the Condominium. Furthermore, it reserves the right in its sole discretion to determine, from time to time, the desired number, size and location of such sales offices, management offices and models. With regard to signs, Declarant shall be entitled to maintain signs on or in the common elements advertising the Condominium and promoting the sale of units within the Condominium to the general public.

15. **Statement as to Permissibility of Time Shares.** Time shares are not permitted.

ARTICLE III Easements

1. **Easements for Benefit of Declarant, et al.** Easements are hereby declared and granted for the benefit of Declarant, its employees, servants and agents, for ingress and egress over, across and upon the common elements (including limited common elements) for the purpose of adding, subdividing, or converting Declarant's units; provided, however, that the easements herein described shall terminate no later than 60 days after the final completion by Declarant of the addition, subdivision or conversion of Declarant's units within the Condominium.

2. **Easements for Benefit of the Association to Enter Units.** The Association shall have the right, exercised by the Board of Directors or a designee of the Board, to enter each unit from time to time during reasonable hours as may be necessary for the administration and operation of the

Condominium or for making emergency repairs therein or therefrom necessary to prevent damage to any unit or common element.

3. **Easements for Encroachments.** In the event that, by reason of the construction, reconstruction, rehabilitation, alteration, improvement, settlement or shifting of the buildings any part of the common elements encroach or shall hereafter encroach upon any part of any unit, or any part of any unit encroaches or shall hereafter encroach upon any part of the common elements or upon any other part of another unit, or if by reason of the design or construction of utility systems and ventilation systems, any main, pipe, duct or conduit serving more than one unit encroaches or shall hereafter encroach upon any part of any unit, valid easements for the maintenance of such encroachments and for such use of the common elements are hereby established and shall exist for the benefit of such units, and the unit owners, and the common elements, as the case may be, so long as all or any part of the buildings shall remain standing; provided, however, that in no event shall a valid easement for any encroachment or use of the common elements be created in favor of any unit owner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Condominium or any portion thereof by the other unit owners and if it occurred due to the willful misconduct of any unit owner.

4. **Easement for Use, Enjoyment and Support of Common Elements and Limited Common Elements.** Each unit and its respective owner(s) shall be subject to and shall have appurtenant thereto a permanent, non-exclusive easement in the common elements for ingress to and egress from it, utility services for it, support for it, maintenance and repair of it and the common elements and for similar purposes. Each owner shall have the non-exclusive right to use the common elements (but not the limited common elements) in common with all other owners, as may be required for the purposes of access, ingress to and egress from, use, occupancy and enjoyment of each respective unit. Such right shall extend to each owner, his agents, servants, tenants, family members, invitees and licensees; provided, however, that the Association may prohibit an owner, his agents, servants, tenants, family members, invitees and licensees from using the amenities located on the common elements if such owner fails to pay assessments for common expenses when due. Each owner shall have the right to the exclusive use and possession of the limited common elements contiguous to or otherwise assigned to his or her unit unless such limited common element is intended to serve more than one unit in which case the owner shall have a non-exclusive easement for the use of such limited common element. Such rights to use and possess the common elements, including the limited common elements, shall be subject to and governed by the Condominium Documents and the Act.

5. **Easements for Certain Utilities.** The Board of Directors of the Association may hereafter grant easements for utility purposes for the benefit of the Condominium including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires over, under, across, along and on any portion of the common elements, and each unit owner hereby grants said Board of Directors an irrevocable power of attorney to execute, acknowledge, and record, for and in the name of each such unit owner, such instruments as may be necessary to effectuate the foregoing.

6. **Easements Through Walls; Within Walls.** Easements are hereby declared and granted to install, lay, maintain, repair and replace any wires, pipes, ducts, conduits, public utility lines or

structural components running through the walls of the units, whether or not such walls lie in whole or in part within the unit boundaries.

7. **Easements to Run With Land.** All easement rights and obligations created in this Article are affirmative and negative easements, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon Declarant, his or her heirs, personal representatives, successors and assigns, and any unit owner, purchaser, mortgagee and any other person having a security or other interest in the Condominium or any part or portion thereof.

ARTICLE IV Restrictions, Conditions and Covenants

1. **Membership in Association.** A unit owner shall by virtue of such interest be a member of the Association and shall remain a member of said Association until such time as the interest in the Condominium ceases for any reason, at which time the membership in said Association shall automatically cease. When one or more persons hold an interest in a unit, all such persons shall be members.

2. **Compliance with Provisions of Condominium Documents.** Each unit owner and occupant of a unit shall comply with all of the provisions of the Condominium Documents and failure to comply with any such provisions shall be grounds for an action to recover damages or for injunctive relief.

3. **Administration of Condominium.** The administration of the Condominium shall be in accordance with the provisions of this Declaration and the Bylaws of the Association.

4. **Prohibition of Exemption from Liability for Contribution Towards Common Expenses.** No unit owner may exempt himself, herself or itself from liability for the contribution of the proportionate share of the common expenses of the Condominium as assessed by the Association, by waiver of the use or enjoyment of any of the common elements or by the abandonment of the unit.

5. **Purposes for Which Units are Restricted as to Use; Restrictions on Ownership and Conveyancing.** All of the units in the Condominium shall be used and occupied exclusively for private residential purposes by the owners thereof and their families, tenants and social guests and for no other purposes; provided, however, that they may, in addition, be used and occupied for the purposes, businesses, occupations and activities described in more detail in Section 16 of this Article IV.

6. **Nuisances.** No noxious or offensive activity shall be carried on in any unit or in the common elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or a nuisance to other unit owners or occupants.

7. **Hazardous Use and Waste; Conservation of Energy.** Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance, electricity, heating fuel or any other energy or utility charges of the Condominium without the prior written consent of the Board of Directors. No unit owner or occupant shall permit anything to be done or kept in the

unit or in the common elements which will result in the cancellation of insurance on the Condominium, or the contents thereof, or which would be in violation of any law. No waste shall be committed to the common elements. Water, heat, air conditioning, electricity or other forms of energy or utilities shall not be wasted but instead shall be conserved.

8. **Obstructions of Common Elements.** There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board of Directors except as herein expressly provided.

9. **Exterior Exposure of Buildings.** No unit owner or occupant shall cause or permit anything to be hung, displayed, or placed in windows (with the exception of draperies, blinds, shades and natural plants), on the outside of exterior doors, or on the outside walls of the building, and no sign shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Board of Directors. The Board of Directors may promulgate regulations concerning uniform and harmonious window treatments which shall be binding upon all unit owners in the Condominium.

10. **Restrictions on Alienation of Units.** There are no restrictions on the alienation of units by reason of age, race, sex, marital status or religion.

11. **Impairment of Structural or Mechanical Integrity of Unit or Building.** Nothing shall be done, placed, installed or erected in any unit or in, upon or to the common elements, which would impair the structural or mechanical integrity of the building or which would structurally change the building except as is otherwise provided herein.

12. **Alterations of Units or Common Elements.** An owner of a unit may make any improvements or alterations to the unit, not otherwise prohibited by the Condominium Documents, so long as it does not impair or reduce the structural integrity, the mechanical systems, the sound insulation quality or the support of any portion of the Condominium. After acquiring an adjoining unit, an owner, with the consent of the Board of Directors and the first mortgagees of the affected units, may remove or alter any intervening partition, or create appurtenances thereto, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity, the mechanical systems or the sound insulation quality or lessen the support of any portion of the Condominium. The adjoining owner shall have the exclusive license to use the space occupied by the common elements, but such use shall not create an easement or a vested right. Removal of partitions or creation of apertures under this Section is not an alteration of boundaries.

13. **Reasonable Requirements of Association; Indemnification for Unit or Common Element Alterations.** With respect to the removal of partitions or creation of apertures described in the last three sentences of the previous paragraph, the Board of Directors may reasonably require the owners of the affected units to replace or restore any such partition or aperture, and prior to consenting to such alteration, the Board shall require plans and specifications therefor which plans and specifications shall not be modified after approval by the Board unless the Board has also approved such modifications. The Board shall further require that the owner(s) requesting its approval furnish adequate assurances that the Association and other owners will be indemnified and held harmless from mechanics' liens or other claims arising from structural

alterations or modifications of the units or common elements. The Board of Directors of the Association shall be entitled to require that the owner(s) requesting its approval provide a deposit or other assurance that any removed or altered common element will be repaired or restored as required.

14. **Relocation of Boundaries Between Adjoining Units.** The boundaries between adjoining units may be relocated in accordance with the Act provided, however, that no unit may be so modified by relocation of the boundaries that it no longer remains practicably usable for the purposes intended as described in Section 5 of this Article IV. Such relocation may be accomplished by amendment to this Declaration upon application to the Association by the owner(s) of the adjoining units. The owner(s) of the adjoining units shall specify in the application the proposed reallocation between the units of the units' common element interest, votes in the Association, and common expense liabilities. Unless the Board determines within 60 days after receipt of the application by the Association that the proposed application is not in the best interests of the Condominium, the owner(s) may prepare and file an amendment executed by the owner(s) and by any holder(s) of security interests in the units whose boundaries are being reallocated, which shall identify the units involved, contain words of conveyance between the owners (if more than one) and contain a written consent of the Association. Upon filing the amendment in the office of the St. Croix County Register of Deeds, the amendment shall be indexed. The amendment shall include an amended Condominium Plat, showing the altered boundaries between the adjoining units and their dimensions and identifying numbers. If the holders of a security interest or security interests in the adjoining units joins in the amendment, the extent of its/their security interests shall be deemed modified as provided in the amendment. The Association shall incur no liability to any party by reason of performing those acts enumerated in this Section. Notwithstanding anything herein to the contrary, the Association may require the owner(s) of the affected units to build a boundary wall and other common elements between the units. After the amendment has been filed, the applicants shall deliver a certified copy of the amendment to the Association.

15. **Pets.** The policy of the Condominium with respect to pets shall be as established in the initial Rules promulgated by the first Board of Directors of the Association and as those pet regulations may from time to time be amended by the Board of Directors at any meeting thereof provided notice of such meeting is accompanied by the proposed pet regulations set out verbatim. A copy of such pet regulations shall be provided to a buyer of the unit being resold.

16. **Home Occupations; Other Permitted and Prohibited Activities; and Signs.**

a. Notwithstanding anything in Section 5 of this Article IV to the contrary, a unit owner or occupant may engage within the boundaries of the unit in a home occupation, that is, a use which is incidental and secondary to the principal use of the unit for residential purposes and does not change the character thereof including, but not limited to, office and studio uses, weaving, dressmaking, and such other uses which by custom are considered accessory to a dwelling; provided, however, that no sign advertising such occupation shall be displayed and further provided, however, that in the event all of the other members of the Association, at a special meeting called for such purpose, vote to require the termination of such occupation because of its objectionable effect on the Condominium, such unit owner or occupant shall forthwith cease and terminate such occupation.

b. Other than such home occupation, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploration or otherwise, shall be conducted, maintained or permitted on any part of the Condominium. Except as approved in writing by the other unit owners, no "For Sale" or "For Rent" signs or other window displays or advertising shall be placed, maintained or permitted by any unit owner or occupant on any part of the Condominium or in any unit therein.

17. Laundry and Rubbish in Common Elements. Except in areas specifically designed and intended for such purposes, no clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed in any part of the common elements. In addition, the common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

18. Lounging or Placement of Things in Common Elements. Except in areas specifically designed and intended for such purposes, if any, there shall be no playing, lounging, or placement or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches, chairs or any other type of personal property on any part of the common elements, except as herein otherwise expressly provided.

19. Rules. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable Rules, not in conflict therewith and supplementary thereto, may be promulgated and amended from time to time by the Board of Directors. Copies of the Rules and amendments thereto shall be furnished by the Association to each unit owner.

20. Leasing of Units. Subject to the previous Section hereof and the limitations, restrictions, terms and conditions which may, from time to time, be promulgated by the Board of Directors and included in the Condominium Documents or in the Rules, each unit owner shall have the right to rent his unit provided that:

(a) Rented in Their Entireties. Units must only be rented in their respective entireties.

(b) Necessity of Lease or Rental Agreement. The rental arrangement shall be evidenced by a written rental agreement or lease (the "Lease") in which the tenant agrees to be bound by the Condominium Documents including particularly, but without limitation, the next succeeding subsections hereof.

(c) Board's Role as Intervenor in the Event of Tenant's Violation; Copy of Lease to be Filed with Association Secretary; Continuing Obligation to Update Lease Information and Documentation. The unit owner and the tenant shall agree in the Lease that if the tenant is in violation of any of the terms of the Condominium Documents and such violation shall continue after 30 days' written notice to the unit owner, the Board of Directors of the Association shall have the right to terminate the Lease and to bring a legal action to remove the tenant from the rented unit. To enable the Association to fulfill this role as intervenor, the unit owner must provide the Association, at the outset of the rental arrangement (in order for the Lease to be valid), with a copy of the Lease which shall contain, among other things, the name(s) of the tenant(s) of the rented unit and all

occupants thereof and the length of the term of the Lease. Delivery of the copy of the Lease shall be made to the Secretary of the Association. This duty shall continue for so long as the unit is rented, and, thus, the unit owner shall be obligated to furnish the Association with the requisite documentation and information each time the unit is sublet or leased to a new subtenant or new tenant or whenever the term of the Lease is extended or renewed with an existing tenant.

(d) **Minimum Term of Lease; No Transient or Hotel Arrangements or Services.** The Lease shall be for a term of not less than six (6) months and shall specifically exclude customary hotel services such as food and beverages service, maid service, and laundry, linen, and bellboy services.

(e) **Unit Owner's Duty to Furnish Pertinent Documentation and Information to Tenant.** Each unit owner shall have the following duties in every lease or rental arrangement: (i) To furnish the tenant with copies of those provisions of the Condominium Documents which pertain to the leasing and rental of units, and (ii) to see that the tenant complies with all of the pertinent provisions of the Condominium Documents.

(f) **None of the foregoing limitations shall apply to Declarant, which shall not be subject to any lease or tenancy restrictions imposed by this Declaration or any Rules promulgated by the Board of Directors.**

21. **Restrictions, Conditions and Covenants to Run With Land.** Each grantee of Declarant, by the acceptance of a deed of conveyance, and each unit owner who acquires such interest hereafter, accepts such deed or such interest, as the case may be, subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration and in prior instruments, and all rights, benefits and privileges of every character granted, created, reserved or declared in this Declaration, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of the unit owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

22. **Non-Waiver of Covenants.** No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

23. **One Vehicle per Unit in Parking Area.** Each unit in the Condominium shall have one (1) garage stall and one (1) parking space on the parking area of the Condominium. The garage stall is shown on the Plat. The parking space shall be specified in writing from time to time by the Board of Directors.

ARTICLE V

Management, Maintenance, Repairs, Alterations and improvements

1. Common Elements.

(a) Association. The Association shall be responsible for the maintenance, repair, alteration, improvement and replacement of the common elements (including maintenance and repair of limited common elements). Nothing herein shall be construed to preclude the Association from delegating to such persons of its choice such duties as may be imposed upon it by the terms of this Article.

(b) Unit Owner. To the extent that the expense of maintenance and repair is not covered by the proceeds of insurance carried by the Association, if applicable, each unit owner shall maintain and keep in repair and replace, as needed, all portions of the common elements which may have become damaged or destroyed by reason of his, her or its own negligent acts or omissions, or those of any occupant of the unit, or those of any invitee, licensee or guest within thirty (30) days after such damage occurred or any extension of such thirty (30) day period granted in writing by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

If the unit owner fails to do the required remedial work, the Association may do it or have it done and send a statement for all costs incurred including administrative charges. The amount shown on such statement shall be considered a common expense which has been assessed by the Association (i.e., an assessment) and, accordingly, all of the provisions in this Declaration and the Bylaws relating to assessments shall apply thereto including specifically, but not limited to, Sections 7 and 8 of Article VI and all of the Sections in Article VII hereof. In doing the remedial work, the unit owner shall perform the responsibilities in such a manner as not to unreasonably disturb other persons residing within the Condominium or other units in the Condominium. Each unit owner shall promptly report to the Association any defect or need for repairs to the common elements and shall not impair any easements without the prior written consent of the other unit owners.

2. Units.

(a) Unit Owner. Each unit owner is responsible for the maintenance, repair, alteration, improvement and replacement of his, her or its unit. This responsibility includes all internal installations within the unit which serve exclusively just the unit such as appliances, heating, plumbing, electrical and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the boundaries of the unit and serving just the unit. The unit owner shall perform his, her or its responsibilities in such a manner as not to unreasonably disturb other persons residing within the Condominium or any other unit in the Condominium.

The unit owner shall repair and replace, at his, her or its expense, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, if applicable, any portion of any unit and/or the limited common elements appurtenant to it which has been damaged or destroyed by reason of his, her or its negligent acts or omissions, or the acts or omissions of any occupant of the unit, or the acts or omissions of any invitee, licensee or guest or occupant within thirty (30) days after such damage has occurred or any extension of such thirty (30) day period granted in writing by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

If the unit owner fails to do the required remedial work, the Association may do it or have it done and send a statement for all costs incurred including administrative charges. The amount shown on such statement shall be considered a common expense which has been assessed by the Association (i.e., an assessment) and, accordingly, all of the provisions in this Declaration and the Bylaws relating to assessments shall apply thereto including specifically, but not limited to, Sections 7 and 8 of Article VI hereof and all of the Sections in Article VII hereof. In doing the remedial work the unit owner shall perform his, her or its responsibilities in such a manner as not to unreasonably disturb other persons residing within the Condominium or any other unit in the Condominium.

(b) Association. The Association shall repair and replace at its expense, to the extent that such expense is not covered by the proceeds of insurance carried by the unit owner or the Association, if applicable, any portion of a unit which has become damaged or destroyed by reason of the negligent acts or omissions of the Association within thirty (30) days after such damage has occurred or any extension of such thirty (30) day period granted in writing by the unit owner whose unit has been damaged. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

3. Easement for Foregoing Purposes. Each unit owner shall afford to the Association and the other unit owners, and to their agents or employees, access through his, her or its unit reasonably necessary to accomplish the foregoing purposes.

4. Waiver of Claim. The Association agrees that it shall make no claim against any unit owner or occupant, and each unit owner and occupant agrees that he, she or it shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against the manager or its officers, employees or agents, or other unit owners or occupants, for any loss or damage to the Condominium, or to a unit or personal property, even if caused by the act or neglect of any one or more of such persons, due to a peril insured against by casualty insurance purchased by the Association, or any unit owner, to the extent of the insurance proceeds recovered under all such policies of insurance, and all such claims, to the extent of such recovery, are hereby waived and released; provided, however, that this waiver shall not apply to vandalism or malicious mischief and shall apply only during such time as the applicable policy or policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policy or policies, or prejudice the right of the insured to recover thereunder, and each unit owner and the Board, agree that their respective insurance policies shall contain such a clause or endorsement, if available at reasonable cost in the opinion of the party insured thereunder.

ARTICLE VI

Assessments, Charges, Liens for Assessments and Taxes; Required Funds and Reserves

1. Obligations of Unit Owners to Pay Assessments. Each unit owner shall be liable for common expenses allocated and assessed to the unit.

2. Assessments for Common Expenses and Expenses Benefiting less Than All Units. Assessments for common expenses shall be allocated equally to all four units. In addition, the Board may assess certain common expenses against fewer than all of the units as follows:

(a) **Maintenance, Repair or Replacement of Limited Common Element.** Any common expense associated with the maintenance, repair or replacement of a limited common element shall be assessed against the unit or in equal shares against the units to which the limited common element was assigned at the time the expense was incurred; or

(b) **Common Expenses Benefiting Less Than All Units.** The Board may assess any common expense for projects benefiting less than all of the units against the units benefited in which case the common expenses shall be allocated (i) among the units benefited, or (ii) on the basis of equality, or (iii) on the basis of the square footage of the area being maintained, repaired or replaced, or (iv) on the basis of the actual cost incurred with respect to each unit (e.g., the Board may choose to allocate expenses relating to the replacement of a window or window component to the unit which such window serves); or

(c) **Costs of Insurance and Utilities.** The costs of insurance may be assessed in proportion to value, risk or coverage, and the costs of utilities may be assessed in proportion to usage instead of equality; or

(d) **Costs and Attorney's Fees.** The Board may assess any reasonable costs and reasonable attorney's fees relating to the enforcement of the provisions of the Condominium Documents, the collection of any delinquent assessments or the foreclosure of any Association lien, against the unit of the owner who is in violation of the provisions of the Declaration or delinquent in the payment of assessments.

3. Preparation of Proposed Budget and Levying of Assessment. The first Board of Directors (appointed by Declarant) shall determine and adopt, prior to conveyance of the first unit hereunder, an initial budget. Each year thereafter, before December 1, the Board of Directors shall estimate the total amount necessary to pay the common expenses which will be required during the ensuing calendar year together with the reasonable amount considered by the Board to be necessary for reserves for such things as maintenance, alterations and improvements, reconstruction and repair, and emergencies. No later than December 1 of each year, the Board of Directors shall provide or mail to each of the unit owners a copy of said budget and a notice advising the unit owner of the estimated amount of the assessment he, she or it shall pay in the next calendar year, which shall be an equal one-fourth (1/4).

4. Payment of Assessments in Installments and When Due. On or before January 1 of the year following the levying of an assessment as provided in the previous Section, and the first of each and every month of said year thereafter, each member shall be obligated to pay to the Board of Directors, or as it may direct, one-twelfth (1/12th) of the assessment. In addition, each owner shall pay assessments levied against the unit(s) when the same become due.

5. Special Assessments. In addition to the annual assessments levied as provided above, the Board of Directors may in its discretion levy special assessments at such other and additional

times as in its judgment are required for the proper management, maintenance and operation of the common elements or to defray the costs of any unforeseen or unbudgeted common expense, including without limitation the unexpected construction, reconstruction, replacement or repair of a capital improvement and including fixtures and personal property related thereto provided that any such special assessment shall have the approval of at least seventy-five percent (75%) of the total voting power of the Association unless it is one required by Section 10 of this Article hereinbelow.

6. **Failure to Prepare Annual Budget and Levy Annual Assessment.** The failure or delay of the Board to prepare the proposed annual budget and to levy assessments upon each member as provided above shall not constitute a waiver or release in any manner of such member's obligation to pay annual assessments, whenever the same shall be determined, and in the absence of any annual budget, each unit owner shall continue to pay the monthly assessment at the then existing monthly rate until he, she or it shall receive the new annual assessment.

7. **Fees, Charges, Late Charges, Fines and Interest.** Fees (including attorney's fees), charges, late charges, fines and interest charges shall be deemed to be assessments and will constitute a lien and be enforceable in accordance with the Act. Any such fees and charges shall also be a personal obligation of the unit owner or occupant against whose unit the same have been imposed. The Board of Directors shall from time to time establish for the Association an interest rate to accrue on the amount of past due installments of assessments or assessment which shall commence to accrue fourteen (14) days after the particular assessment or installment of assessment was due, until paid in full. If the Association has failed to establish such interest rate at the time any unit owner fails to pay an assessment or installment of assessment by the date it is due, the rate of interest shall be deemed to be the maximum amount allowable under Wisconsin law.

8. **Lien for Assessments.** The Association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes payable. The Association's lien may be foreclosed as provided by the laws of Wisconsin as if it were a lien under a mortgage containing a power of sale. The rights of the parties shall be the same as those provided by law except that the period of redemption for unit owners shall be 6 months from the date of sale or the shortest period allowed by law. The lien is prior to all other liens and encumbrances on a unit except the following:

- (a) Liens and encumbrances recorded before the recordation of this Declaration,
- (b) Any recorded mortgage on the unit securing a first mortgagee, and
- (c) Liens for real estate taxes and other governmental assessments or charges against the unit.

The recordation of this Declaration constitutes record notice and perfection of the lien.

9. **Liability in a Voluntary or Involuntary Conveyance of a Unit; Statement; Binding Effect of Statement.** Except as provided in Section 21 of Article XI hereof, in a voluntary or involuntary conveyance of a unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments against the unit which the Board levied prior to the time of conveyance, without prejudice to the grantee's right to recover from grantor the amounts paid by the grantee therefor. However, the Association must furnish to the grantee, or his authorized agent, upon written request of the grantee or his authorized agent, a recordable statement setting

forth the amount of unpaid assessments currently levied against his unit. The statement shall be furnished within 10 business days after receipt of the request and shall be binding on the Association, that is, grantee shall not be liable for, nor shall the unit conveyed be subject to, a lien for any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

10. Real Estate Taxes and Assessments. Real estate taxes and governmental special and annual assessments (the "Real Estate Taxes") shall be separately levied against the units and the corresponding percentage of ownership interest in the common elements appurtenant thereto and as provided in the Act. If, for any year, the Real Estate Taxes are not levied separately against the units and the percentage of common element interest appurtenant thereto, but instead are levied against the real estate constituting the Condominium as a whole, the Board shall pay such Real Estate Taxes as they become due and treat the amounts paid as a common expense of the Association. Prior to February 1st of any year for which it is anticipated that the Association will be responsible for the payment of Real Estate Taxes, the Board shall levy a special assessment in the anticipated amount of such Real Estate Taxes against the individual units on the basis of each unit's percentage liability for common expenses or on the basis of estimated actual tax liability of each owner's unit(s) and interest in the common elements together with an amount sufficient to establish a reasonable reserve to be used in the event of nonpayment by a portion of the unit owners. If necessary, the Board shall have the authority, but not the obligation, to advance funds in payment of all or a portion of such Real Estate Taxes pending receipt from the owners of their proportionate shares thereof.

11. Prohibition of Delinquent Owner from Using Amenities and Voting. The Board of Directors of the Association shall have the authority to prohibit any owner from using any amenities in or upon the common elements if such owner is delinquent in the payment of any installment of any assessment and such owner shall not have the right to vote on any Association matters or in any election of the Board if such owner is delinquent in the payment of any installment of any assessments.

12. Advance Contribution for Start Up Costs. At the time the initial sale of each unit is closed, the purchaser of the unit shall pay the Association an amount equal to 2 times the first full monthly installment of assessments for such unit. The Association shall use and apply this sum for start-up costs and as an operating fund in connection with all initial operating expenses for the common elements. This payment is nonrefundable and shall not be applied as a credit against the owner's monthly installments of assessments. Under no circumstances shall Declarant have any obligation to pay the aforementioned sum so long as Declarant is the owner of a unit and holds such unit for sale or as a model.

13. Reasonable Reserve for Contingencies and Replacements. The Association may establish, maintain and augment a reasonable reserve for contingencies and replacements and to provide an adequate reserve to meet the obligations of the Association in the event that a portion of the unit owners default in the payment of assessments, which reserve shall be segregated and allocated for specific purposes. Extraordinary expenditures not originally included in the annual estimate which may become payable during the year shall be charged first against such portion of the contingency and replacement reserve which remains unallocated. If the estimated cash requirement proves inadequate for any reason or in the event a nonrecurring common expense is

anticipated for any year, then the Board may prepare and approve a supplemental budget covering the estimated deficiency or nonrecurring expense for the remainder of the year, copies of which shall be furnished to each owner, and thereupon a separate assessment shall be made to each owner for the proportionate share of such supplemental budget. All owners shall be personally liable for and obligated to pay their respective adjusted amount.

ARTICLE VII Compliance and Default

1. **Compliance.** Each unit owner shall be governed by and shall comply with the terms, conditions, obligations and provisions of the Condominium Documents and the provisions of the Act, as the same may be amended from time to time.

2. **Default and Remedies; Acceleration Clause.** A default in or failure to comply with any of the terms, conditions, rules, obligations and provisions of the Condominium Documents and the Act by any unit owner, occupant of a unit, or invitee, licensee or guest thereof shall be grounds for relief which may include, without intending to limit the same or to constitute an election of remedies, an action to recover sums due for damages, an injunction, foreclosure of a lien, or any combination thereof, and which relief may be sought by the Association, or if appropriate, by the other aggrieved unit owners, or both. Attorney's fees and costs shall be recoverable in any such action or even in effecting remedy of the default or collection of any sums due without having to resort to such action. In no case may a unit owner, or occupant, withhold any assessments due and payable to the Association, or take (or omit) other action in violation of the Condominium Documents or the Act as a measure to enforce such unit owner or occupant's position, or for any other reason.

If a unit owner fails to perform any obligation under the Condominium Documents or the Act (the "Defaulting Unit Owner"), then the Association may (but is not obligated to) perform the same for the Defaulting Unit Owner's account and for such purpose may enter upon the premises of the Defaulting Unit Owner's unit to do such work and to incur such expenses or other sums as are reasonably deemed by the Association as necessary to cure the default, and for such expense shall levy a special assessment against the unit owned by such Defaulting Unit Owner and set it forth on a statement to be given to the Defaulting Unit Owner. Such special assessment shall be due thirty (30) days after its being given to the Defaulting Unit Owner.

Installments of regular and special assessments are due on the first (1st) day of each month, and special assessments not payable in installments shall be due thirty (30) days after their being given to a unit owner. A unit owner becomes a "Defaulting Unit Owner" by failing to make payment of an installment of a regular or special assessment by the fifteenth (15th) day of a month, or by failing to make payment of a special assessment by the date it was due. In the event a unit owner has become a Defaulting Unit Owner, the Association may assess, and the Defaulting Unit Owner shall be obligated to pay, a reasonable charge and/or penalty for each such unpaid assessment or installment thereof, together with interest as provided in Section 8 of this Article VII, and all expenses, including reasonable attorneys' fees incurred by the Association in any proceeding brought to collect any such unpaid assessment. In the case of a failure on the part of the Defaulting Unit Owner to pay an installment of assessments or assessment more than thirty (30) days after it was due, the Association may opt to accelerate the

remaining installments or balance of the assessment upon written notice thereof to the Defaulting Unit Owner, and thereupon, the entire unpaid balance of the assessment with all accrued interest shall become due and payable upon the date stated in the notice.

In addition to the foregoing, the Association is hereby entitled to impose reasonable fines, penalties or charges for each violation of the Condominium Documents and to suspend any rights of a unit owner, or occupant and/or their guests, to use any recreational facilities or common elements except limited common elements appurtenant to the unit and those portions of the common elements providing utility service and ingress and egress to such unit owner's unit, any such suspension being limited to the period of default by the unit owner or occupant and for up to thirty (30) days thereafter for each violation.

3. **Hearing in Certain Cases.** In case the Association desires to impose a fine, penalty or charge for a violation of any provisions of the Condominium Documents, or to suspend the rights of any unit owner, or occupant and/or guests thereof, to use any common elements which were damaged or altered, or suffered or allowed to be damaged or altered, by any unit owner, or occupant and/or guest thereof, in violation of any provisions of the Condominium Documents, and to assess the costs of such restoration against the Defaulting Unit Owner, it shall cause to be mailed or delivered to the Defaulting Unit Owner, or occupant, written notice specifying the general nature of the violation and the remedy to be imposed, which notice must be delivered at least ten (10) days prior to the effective date of such imposition.

4. **Notice of Default and Failure to Cure.** A unit owner shall be considered to be in default if he, she or it has failed to make payment to the Association by the due dates specified in Section 2 of this Article VII. A unit owner shall not be considered in default of non-monetary obligations under the Condominium Documents or the Act unless the unit owner shall have failed to cure or correct such default in the manner and within the time specified in a written notice given by the Association, which specifies the nature of the default, the cure thereof, and the time within which the cure shall be effected.

5. **Remedy of Abatement in Addition to Other Remedies.** In the event the Defaulting Unit Owner fails to effect the cure specified by the Association in the notice of default, within the time specified in such notice, where the default is a structure, thing or condition existing in or on the premises of the unit owner's unit, the Association shall have the right to enter upon the premises of the Defaulting Unit Owner's unit and summarily to abate and remove, at the Defaulting Unit Owner's expense, the structure, thing, or condition constituting the default, and the Association, and its agents, employees and representatives, shall not thereby be deemed guilty in any manner of trespass. The costs of such abatement and removal shall be specially assessed to the Defaulting Unit Owner.

6. **Monetary Liability of Defaulting Member.** Each unit owner shall be liable for the expense of any maintenance, repair or replacement necessitated by his, hers or its act, omission, neglect or carelessness or by that of any member of the family or their guests, employees, agents, lessees, invitees, or licensees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances.

Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights to subrogation.

7. Recovery of Attorneys' Fees and Costs. As provided in this Article, the Association shall be entitled to recover reasonable attorneys' fees and costs incurred by the Association in any proceeding brought to collect an unpaid assessment or installment of assessment from the Defaulting Unit Owner or to foreclose a lien for the amount thereof on the Defaulting Unit Owner's unit. In any proceeding arising because of an alleged non-monetary default by the Defaulting Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees and costs as may be allowed by the court.

8. Recovery of Interest. The Association shall be entitled to recover from the Defaulting Unit Owner who has defaulted in the payment of assessments due the Association, or has committed a non-monetary default which has necessitated the Association's expending money to cure the default, interest on the amount due which shall commence to accrue fourteen (14) days after the particular assessment, installment of assessment or amount due the Association for its curing the Defaulting Unit Owner's default was due until paid in full. The interest rate shall be that rate which the Board of Directors has established at the time of the Defaulting Unit Owner's default or, if the Association has not established an interest rate, then the rate shall be the highest rate allowed by Wisconsin law.

9. Non-Waiver of Covenants. The failure of the Association or of a unit owner to enforce any term, provision, right, covenant or condition which may be granted by any of the Condominium Documents and the Act shall not constitute a waiver or abrogation of the right of the Association or a unit owner to enforce such term, provision, right, covenant or condition in the future, irrespective of the number of violations or breaches thereof which may have occurred.

ARTICLE VIII Insurance

1. Master Policy of Insurance Carried by Association. The Association shall maintain and keep in force a master policy or policies of insurance issued by a reputable insurance company or companies authorized to do business in Wisconsin, which policy or policies shall further provide coverage as follows:

- (a) Fire and standard extended coverage insurance in an amount equal to one hundred percent (100%) of the insurable "replacement cost" of the Condominium exclusive of land, foundation, excavation and other items normally excluded from coverage (but including all building service equipment and machinery), except such perils as may be separately insured or are uninsurable. The policy or policies shall cover personal property owned in common by all of the unit owners or by the Association. The policy or policies shall contain an "Inflation Guard" endorsement, or an agreed amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. Such insurance shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement for projects

similar in construction, location and use to the Condominium; together with the following additional coverage if required by the requirements of the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") in connection with mortgage loan commitments issued by any first mortgagees:

If there is a steam boiler in any building the policy shall afford protection against boiler explosion in such building, evidenced by a broad form of boiler and machinery endorsement, in the minimum amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(b) If any building is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Condominium shall be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the units or the maximum limits of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(c) The policy shall cover sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage.

(d) The policy shall cover demolition and contingent liability from operation of building laws endorsements, increased cost of construction, and other applicable hazards.

(e) The policy shall cover the units and the common elements. It shall not cover the following items within the units: (i) ceiling and wall finishing materials, (ii) floor coverings, (iii) cabinetry, (iv) finished millwork, (v) electrical or plumbing fixtures serving a single unit, (vi) built-in appliances, and (vii) other improvements and betterments, regardless of when installed.

In the event that the Association shall fail to pay currently the premiums due with respect to such insurance, then and in such event any first mortgagee may make payment of such due premiums, and such payment so made by the first mortgagee shall be a sum immediately due and owing by the Association to such first mortgagee together with interest at the highest rate allowed by law from the date of payment of the money by the first mortgagee to the date of reimbursement by the Association. The first mortgagee making such advance shall have the right to sue upon and enforce the foregoing covenant, and this covenant shall have the same effect and stand in lieu of any separate agreement covering such rights between the Association and such first mortgagee advancing funds. The Association is further authorized to enter into a separate agreement in favor of all first mortgagees, which shall further authorize the first mortgagee to secure its own replacement policy in the event the one held by the Association fails to comply with the requirements of this Declaration.

2. Comprehensive public liability insurance covering the use, ownership and maintenance of any structure and grounds of the Condominium (i.e., the common elements thereof), with the

minimum limits of One Million Dollars (\$1,000,000.00) per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location and use to the Condominium. Such public liability insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a unit owner or occupant because of negligent acts of the Association or other unit owners or occupants. If required by the lending requirements of any first mortgagee the coverage shall include water damage liability, liability for non-owned and hired automobiles, liability for property of owners, and, if applicable, elevator collision, garage keeper's liability and host liquor liability.

3. Fidelity coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association, if deemed to be advisable by the Board of Directors of the Association or required by FNMA, FHLMC, FHA or VA. The fidelity bond or insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1-1/2) times the insured's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

4. Workers' Compensation insurance as and if required by law.

5. Such other insurance as the Board of Directors may determine from time to time to be in the best interests of the Association and the unit owners.

6. First Mortgagee May Insure. In the event the Association fails to maintain and keep in force the insurance coverages mandated by this Article, then any first mortgagee may institute and keep in force such coverages.

7. Insurance Premiums Assessed as Common Expenses. All insurance premiums of the Association shall be assessed and paid as a common expense, and in the event of a claim the Association may charge any insurance deductible amounts back against the unit owners who caused the claim to be made or with respect to whose units the claim arose.

8. Insured to be Association or Insurance Trustee. All insurance coverage maintained by the Association shall be written in the name of, and the proceeds thereof shall be payable to the Association or a qualified insurance trustee selected by it as trustee for the unit owners and any other holder of a security interest in the units, including first mortgagees, which suffer loss. The Association, or any insurance trustee selected by it, shall have exclusive authority to negotiate and settle any claims or losses under any insurance policy maintained by the Association.

9. Waivers of Subrogation. All policies of insurance shall contain waivers of subrogation by the insurer as to any claims against the Association, or a unit owner or occupant, and/or their respective agents, tenants or employees, and waivers of any defense based on coinsurance or of invalidity from any acts of the insured.

10. Requirements for Policies of Insurance. All policies of property insurance maintained by the Association shall, among other things, provide that:

(a) Despite any provisions giving the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable (i) without the prior written approval of the Association (or any insurance trustee) or (ii) when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law;

(b) Such insurance may not be brought into contribution with any insurance purchased by unit owners or their first mortgagees; and

(c) The coverage shall not be prejudiced by (i) any act or neglect of the unit owners when such act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Condominium over which the Association has no control.

11. Individual Insurance Policy for Unit Owner. Each unit owner must carry an individual condominium unit all risk policy covering liability for accidents occurring within the unit, and insuring the value of personal property and real property within the unit which is not covered by the Association's comprehensive blanket policy. Personal property and attached items in a unit, such as carpeting and other types of floor coverings (such as stone, ceramic tile or hardwood flooring), wall coverings, light fixtures, electrical and plumbing fixtures serving just that unit, window treatments, all types of built-in appliances, cabinets and millwork and other improvements and betterments (regardless of when installed) are not covered by the Association's blanket policy. The extent of the property included or excluded from the Association's blanket policy may be clarified by the Board from time-to-time by amendments to the Rules and Regulations, and each unit owner is responsible for conforming his/her individual coverage to such changes. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such individual insurance carried by any unit owner.

ARTICLE IX

Reconstruction, Repair or Replacement After Casualty Damage and Condemnation and Eminent Domain

1. Procedures for Repair, Reconstruction or Disposition Following Damage or Destruction. Any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Condominium as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given pursuant to Section 3.

2. Procedures in Case of Taking of Part or All of Condominium by Condemnation or Eminent Domain. In the event of a taking of any part of the Condominium by condemnation or eminent domain, notice shall be given pursuant to Section 3.

3. Notice to First Mortgagees. All first mortgagees shall be entitled to receive notice of any and all condemnation proceedings or substantial damage to or destruction of the Condominium, and the Association shall give written notice thereof to all first mortgagees promptly after occurrence

of the damage or destruction or commencement of the condemnation proceeding. First mortgagees shall be entitled to priority for condemnation awards, as their interests may appear.

ARTICLE X Amendment

This Declaration may be amended by an affirmative vote of seventy-five percent (75%) of the total voting power of the Association (i) in writing, or (ii) at a meeting of the Association duly held in accordance with the provisions of the Bylaws. Any amendment shall be subject to the rights of first mortgagees as set forth in the next Article hereof and such greater requirements as may be imposed by the Act, and shall be effective only when recorded in the office of the County Register of Deeds. In the case of an amendment by vote at a meeting of the unit owners, an acknowledgment by the Secretary or other officer of the Association as to the procedural sufficiency of the vote shall be adequate evidence for all purposes, including without limitation the recording of the amendment.

ARTICLE XI Mortgagee Requirements

1 Purpose. Because this Declaration and the Bylaws of the Association contain provisions which meet the requirements of FHLMC, FNMA, FHA, VA and similar governmental, quasi-governmental or private agencies, entities or associations which may now or hereafter be involved in the purchase of condominium mortgages or the insurance thereof, the Declarant deems it prudent to place all of such required provisions in one article of this Declaration so as to enable an examiner quickly to ascertain that this Declaration and the Bylaws comply in all respects with such requirements.

2. Effect of Succeeding Sections. The succeeding Sections of this Article shall take precedence over all other provisions and sections of this Declaration, and the Bylaws of the Association, and in the event of any inconsistency or contradiction, the following Sections shall control.

3. Time of Written Notice for Certain Occurrences. The holder, insurer, or guarantor of a first mortgage on any unit in the Condominium, who has advised the Association in writing of its name and address and the legal description and address of the unit covered by such mortgage and in said writing has requested the Association to notify it of any of the following matters, is entitled to timely written notice of:

- (a) Any condemnation, or casualty loss that affects either a material portion of the Condominium or the unit on which there is a first mortgage being held;
- (b) Any delinquency in the payment of assessments or charges owed or any other default in the performance of any obligation owed under the Condominium Documents by an owner of a unit subject to a first mortgage held, insured, or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of at least sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders as specified in Section 8 of this Article XI below.

The term "timely written notice" means that period of time which is reasonably sufficient to enable the mortgage holder, insurer or guarantor to take action with respect to the subject matter of the notice.

4. **No Restrictions on Mortgaging Units.** No provision in this Declaration or the Bylaws of the Association shall restrict an owner's right to mortgage his or her unit. In addition, no such provision shall limit an owner's financing options by requiring the use of a specific lending institution or a particular type of lender.

5. **No Limitations on Unit Owner's Ability to Sell.** The Association shall not impair or restrict a unit owner's right to sell, transfer or convey his or her unit. The Association shall never hereafter have a right of first refusal.

6. **Availability of Condominium Documents.** The Association shall at all times have current copies of the Condominium Documents as well as its own books, records and financial statements for inspection by unit owners or by holders, insurers and guarantors of first mortgages that are secured by units in the Condominium. These documents shall be available during normal business hours or under other reasonable circumstances.

7. **Examination of Records; Audited Financial Statement.** Any holder, insurer, and guarantor of a first mortgage secured by a unit in the Condominium, upon written request made to the Association, shall have the right to examine the current copies of the Condominium Documents and the books, records and financial statements of the Association or the Condominium during normal business hours. Any such holder, insurer and guarantor of a first mortgage, where there is no audited statement available, shall have the further right to have an audited statement prepared at its own expense.

8. **Material Amendments to Declaration and Bylaws or Material Changes; Limitations on Actions of Association.** Notwithstanding anything in Article X of this Declaration and Article VIII of the Bylaws to the contrary, any amendments to this Declaration and Bylaws of a material nature must be approved not only by an affirmative vote of seventy-five percent (75%) of the total voting power of the Association, but also by the written consent of those first mortgagees of the units who have submitted to the Association a written request that they be notified of any proposed action requiring approval of a specified percentage of mortgagees and who hold mortgages on at least seventy-five percent (75%) of the units (based upon one vote for each mortgage held). In addition, except as provided or allowed by statute, the Association shall not make material changes unless approved not only by an affirmative vote of seventy-five percent (75%) of the total voting power of the Association, but also by the written consent of those first mortgagees of the units who have submitted to the Association a written request that they be notified of any proposed action requiring approval of a specified percentage of mortgagees and who hold mortgages on at least seventy-five percent (75%) of the units (based upon one vote for each mortgage held). Any of the following changes shall be deemed a "material amendment" or a "material change":

- (a) Voting rights;
- (b) Assessments, assessment liens, subordination of assessment liens or increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%);

- (c) Reduction in reserves for maintenance, repair and replacement of common elements;
- (d) Responsibility for maintenance and repair;
- (e) Reallocation of interest in the common elements and limited common elements of the Condominium or rights to their use;
- (f) Redefinition of the boundaries of any unit;
- (g) Convertibility of units into common elements or vice-versa;
- (h) Expansion or contraction of the Condominium, or the addition and annexation or withdrawal of property to or from the Condominium;
- (i) Hazard or fidelity insurance requirements;
- (j) Restrictions on the leasing of units;
- (k) Imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by an eligible mortgage holder;
- (m) Restoration or repair of the Condominium after a hazard damage or partial condemnation in a manner other than that specified in the Condominium Documents;
- (n) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occur;
- (o) Any provisions that expressly benefit mortgage holders, insurers, or guarantors;
- (p) Any amendment to this Article;
- (q) Partition or subdivision of any unit except as provided by or allowed by statute;
- (r) Any attempt by act or omission to abandon, partition, subdivide, encumber, transfer or sell the common elements; or
- (s) Any use of hazard insurance proceeds for losses to any condominium property (whether units or common elements) for other than repair, replacement or reconstruction of the condominium property.

If an addition or amendment is not considered as a material change, such as the correction of a technical error or clarification of a statement, then the approval of mortgage holders, insurers or guarantors shall be assumed if they have failed to submit a response to any written proposal for such amendment or addition within thirty (30) days after the proposal is made.

9. Approval of Termination of Condominium by Unit Owners and Mortgagees. The Condominium may be terminated only by the unanimous written agreement of owners of units and the unanimous written agreement of the first mortgagees of the units (each mortgagee having one (1) vote per unit financed), except for the termination of the Condominium in the event of a taking of all of the units by eminent domain (or conveyances under the threat of eminent domain). All procedures, appraisals and disposition of proceeds following any termination of the Condominium shall be governed by the Act.

10. Association Responsible for Maintaining Common Elements (Including Limited Common Elements). The Association shall be responsible for maintaining the common elements of the Condominium including the limited common elements thereof.

11. Representation by Association. The Association shall represent the unit owners in any proceedings, negotiations, settlements or agreements having to do with any losses or proceeds from the condemnation, destruction or liquidation of all or part of the Condominium or from the termination thereof. Consequently, the award or proceeds of settlements shall be payable to the

Association for the use and benefit of the unit owners and their mortgagees as their interest may appear.

12. **Adequate Reserve Fund.** Condominium assessments for common expenses shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis. Assessments for the reserve fund shall be payable in regular installments rather than by special assessments.

13. **Association's Right of Reasonable Entry.** The Association shall have the right of reasonable entry upon the premises of any unit in the Condominium to effect emergency or other necessary repair which the unit owner has failed to perform.

14. **Leasing and Rental of Units; Exception.** Any lease or rental agreement must be in writing and be subject to the requirements of the Condominium Documents. Any failure by the lessee to comply with the terms of the Condominium Documents shall be a default under the lease enforceable by the Association as well as the landlord. Any lease must be for the entire unit not a portion thereof, shall be in writing and a copy thereof shall be filed with the Association prior to commencement of its term. No lease shall provide for a term of less than six (6) months nor for the furnishing of hotel type services. No other restrictions relating to the term of any lease or rental agreement shall be valid or enforceable. The occupations and businesses permitted in Section 16 of Article IV hereof, however, are excluded from the purview of this Section.

15. **Unit Owner's Unrestricted Right of Ingress/Egress to Unit.** Each unit owner has an unrestricted right of ingress and egress to his or her unit. This right is perpetual and passes with the unit and its undivided interest in the common elements of the Condominium as transfers of ownership thereof occur.

16. **Unit Owner's Rights and Restrictions.** Any unit owner, when becoming an owner of a unit in the Condominium, automatically becomes a member of the Association and thus, subject to all of the rights and duties assigned to owners under the Condominium Documents.

17. **Summary Abatement.** In the event the Defaulting Unit Owner fails to effect the cure specified by the Association in a notice of default directed to such Defaulting Unit Owner, within the time limit specified in such notice, where the default is a structure, thing or condition existing in or on the premises of the unit owner's unit, the Association, or its duly authorized representative, shall have the right to enter upon the premises of the Defaulting Unit Owner's unit in which, on which, or as to which such default exists and summarily to abate and remove, at the Defaulting Unit Owner's expense, the structure, thing or condition constituting the default. The Association and their agents, employees and representatives, shall not thereby be deemed guilty in any manner of trespass.

18. **Rights of Action.** The Association, and any aggrieved unit owner, shall have the right of action against unit owners who fail to comply with provisions of the Condominium Documents or decisions made by the Association. Unit owners shall have similar rights of action against the Association.

19. **Insurance and Fidelity Bonds.** The Association shall carry workers compensation insurance whenever it has eligible employees. The Association may carry fidelity insurance and shall do so whenever required by a holder, insurer or guarantor of a mortgage. The Association may enter into binding agreements with one or more holders, insurers or guarantors of mortgages obligating the Association to keep specified coverages in effect for specified periods and to notify a holder, insurer or guarantor of any changes to coverage.

20. **Adequate Remedies for Unit Owners' Failure to Pay Assessments.** The provisions of Articles VI and VII of this Declaration provide adequate remedies in the case of Defaulting Unit Owner's failure to pay assessments levied by the Association.

21. **Exemption from Liability for Unpaid Assessments.** A mortgage holder, insurer or guarantor who obtains title to or takes possession of a unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (assignment) in lieu of foreclosure shall not be liable for such unit's unpaid assessments which accrue prior to the acquisition of title to such unit by such holder, insurer or guarantor in the case of a deed, or prior to the expiration of the statutory period of redemption in the case of a mortgage foreclosure. Any such delinquent assessments extinguished pursuant to the foregoing sentence may be reallocated and assessed to all units as a common expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a unit from liability for, nor the unit from the lien of, any assessments made thereafter. Moreover, any lien for delinquent common expense assessments or other charges that the Association has on a unit shall be subordinate to a first mortgage on the unit if that mortgage was recorded before the delinquent assessment was due.

22. **Subordination of Fees, late Charges, Fines or Interest.** Any fees, late charges, fines or interest which may be levied by the Association in connection with unpaid assessments or violations of the Condominium Documents shall be subordinate to the lien of the first mortgage on the unit to which they have been levied.

23. **Professional Management Contracts.** Any contract for professional management of the Condominium or any other contract providing for the services of the developer, sponsor or builder of the Condominium, shall not exceed two (2) years. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice and shall include a right of termination without cause that the Association may exercise at any time after the Declarant has relinquished control over the Condominium and Association. This right of termination shall not require the payment of any penalty or an advance notice of more than ninety (90) days.

24. **Priority.** No provision of the Condominium Documents shall be deemed to give a unit owner, or any other party, priority over any rights of any mortgage holder, insurer, or guarantor pursuant to their mortgages in the case of a distribution to the unit owners of insurance proceeds or condemnation awards for losses to or taking of units and/or common elements of the Condominium.

25. **Notification of Change in Use Restrictions.** A first mortgagee of a unit, or its assigns, upon written request, shall be entitled to twenty-one (21) days' prior written notice of any proposed change in the use restrictions contained in Article IV of this Declaration.

26. Designation of Representative. Any holder of a first mortgage on a unit may designate a representative to attend meetings of members.

ARTICLE XII
General Provisions

1. Severability. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration.

2. Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the ownership and operation of a cooperative, first class condominium project. Whenever appropriate, the singular number may be read as the plural, and the plural may be read as the singular. The masculine gender has primarily been used in this Declaration for the sake of simplicity and, accordingly, may be read as the feminine gender or as the neuter gender where necessary or desired.

3. Conflicts. In the event of any conflict among the provisions of the Act, this Declaration, the Bylaws and any Rules approved by the Association, the Act shall control. In the event of a conflict among this Declaration, the Bylaws and Rules, this Declaration shall control. In the event of a conflict between the Rules and the Bylaws, the Bylaws shall control. In the case of any conflict between the Articles of Incorporation and the Bylaws, the Bylaws shall control.

Shane A. Benoy Shane A. Benoy March 15, 2006
President, Cornerstone Contracting, Inc., Declarant

STATE OF WISCONSIN) ACKNOWLEDGEMENT
ST. CROIX COUNTY)

Personally came before me on March 15, 2006 the above-named Shane A. Benoy, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

Notary DeMalick My commission is permanent



Marlene K. Linn Marlene K. Linn March 15, 2006
Assistant Vice President, Eagle Valley Bank, National Association

STATE OF WISCONSIN) ACKNOWLEDGEMENT
ST. CROIX COUNTY)

Personally came before me on March 15, 2006 the above-named Marlene K. Linn, to me known to be the person who executed the foregoing instrument, and acknowledged the same.

Notary Linda J. Sletten My commission 02/03/2008
Drafted by C. W. Malick



Statutory Reserve Account Statement

REGISTER OF DEEDS
ST. CROIX CO., WI

RECEIVED FOR RECORD

03/15/2006 11:30AM

MISCELLANEOUS
EXEMPT #

REC FEE: 11.00
TRANS FEE:
COPY FEE:
CC FEE:
PAGES: 1

Humbird Place Condominiums, being a
condominium created under the Condominium
Ownership Act of the State of Wisconsin by a
Declaration of Condominium for Humbird Place
Condominiums dated March 15, 2006 and recorded
in the Office of the Register of Deeds for St. Croix
County, Wisconsin as document 820746
and by a Condominium Plat in Vol. 2 Page 13
of Condominium Plats,

Return to:
Malick Law Office
413 Brookwood
Hudson WI 54016
(mailbox)
PIN 236-0073-00-000

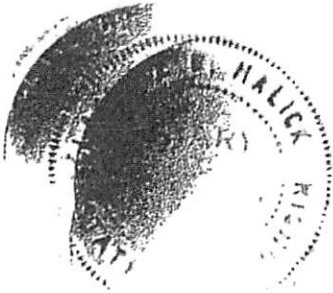
The Condominium shall not have a Statutory Reserve Account, as described in Wis. Stats.
703.163. This determination is made by the Declarant. It is anticipated that future expenditures
for the repair and replacement of the common elements will be funded by assessment to the units.

Shane A. Benoy Shane A. Benoy March 15th, 2006
President, Cornerstone Contracting, Inc., Declarant

STATE OF WISCONSIN) ACKNOWLEDGEMENT
ST. CROIX COUNTY)

Personally came before me on March 15, 2006 the above-named, to me known to be the
person who executed the foregoing instrument, and acknowledged the same.

Notary C. W. Malick My commission is permanent.
Drafted by C. W. Malick



HUMBIRD PLACE CONDOMINIUMS ASSOCIATION

ESTIMATED ANNUAL OPERATING BUDGET

COMMON INCOME

Item	Amount
Assessments Paid by Members	\$9,258.00
TOTAL COMMON INCOME	\$9,258.00

COMMON EXPENSES

Item	Amount
Gas and Electrical Service	\$2,800.00
Snow Removal/Yard Maintenance	600.00
Insurance Premium	3,656.00
Water & Sewer Usage	1,240.00
Trash Removal	450.00
Reserves	<u>512.00</u>
TOTAL COMMON EXPENSES	\$9,258.00

ANNUAL AND MONTHLY ASSESSMENT FOR COMMON EXPENSES PER UNIT (Allocated 25% To Each Unit)

Unit	Annual/Monthly
1	\$2,064.00/192.88
2	\$2,064.00/192.88
3	\$2,064.00/192.88
4	<u>\$2,064.00/192.88</u>
	\$9,258.00/771.50

The foregoing Estimated Annual Operating Budget was prepared by the Declarant. The Budget is an estimate only and, as such, is not intended and should not be taken as a representation or guarantee by anyone that the receipts or expenses for the first or any subsequent year of the operation of the Condominium will be as set forth above. The Budget represents the best estimate of Declarant as to what the annual operating expenses will be. Initially, the Condominium shall not have a Statutory Reserve Account, as described in Wis. Stats. 703.163.